

More Problems for Shady Grove

In *Shady Grove Shakes the Church [WM-933-934]*, we presented you with the outlandish salary excesses received by the leaders of just one of our denominationally owned hospitals. The only reason this information came to light is because the nearby *Washington Post* sent a team of investigative reporters to find out what was happening at the hospital.

Problems are probably similar at other church-owned medical facilities, but there is no *Washington Post* near them. Board members (which include conference and union officers) agree to immense salaries, and probably receive kickbacks in return.

“It was deliberate siphoning and laundering of funds that caused the AHS/NEMA crisis in 1989. Adventist Living Centers, Inc. was sucked dry.

“Unfortunately, the scandals have not ceased. Within less than ten years (1990-1999) two hospital administrators, working with a small coterie of associates, managed to drag Greater Boston Regional Hospital down into the April 1999 bankruptcy.”—*WM-933*.

In the case of Shady Grove, Bryan Breckenridge received \$4.74 million compensation and lump-sum pay in 1997. Edmund R. Peters left soon afterward with \$3.1 million.

Then there was Ronald M. Wisby. As president of the Columbia Union in 1990 when Folkenberg was voted in as president, he agreed to secretly launder money for the wives of the new GC president and vice-president. He was handsomely rewarded for his services. It was David Dennis, the GC auditor, that uncovered the lucrative affair and got it stopped. The next year, Folkenberg got him fired for his integrity. Later a high-priced job was manufactured for Wisby: “Liaison between Columbia Union and AHS/NEMA,” whatever that means. Still later, he was appointed to the presidency of Shady Grove, so he could get his share of the excesses. In his new job, his compensation jumped from \$161,000 in 1996 to \$447,000 the next year, and \$364,000 in 1998.

By his side was Cory Chambers, Shady Grove vice-president. He received \$319,000 in total compensation in 1996, \$815,000 in 1997, and \$842,000 in 1998.

Keep in mind that Shady Grove was not a large hospital. For more on Shady Grove, see *WM-933-934*. Here is a recent news article. After receiving \$1,976,000 in salary and extras for three years work as vice-president at Shady Grove—Cory Chambers wants to collect on a secret termination package of \$1,212,660, plus other

perks:

“Adventist HealthCare is negotiating a dispute with its former president and chief executive officer, who is accusing the health care company of renegeing on a severance package.

“Cory S. Chambers, who resigned under pressure in November 1999 after patient care problems surfaced at Adventist-owned Shady Grove Adventist Hospital in Rockville, is claiming that Adventist did not fully honor a 1997 contract that promised to pay him salary and benefits for three years after his departure.

“The contract called for Chambers to receive \$348,634 annually for three years [\$1,045,902] after he left, a bonus of \$55,586 per year during the same period [\$166,758], in addition to health care benefits and perks including a car, tax preparation expenses, health club and country club memberships.

“Chambers sued Adventist in June for \$10 million for breach of contract and misrepresentation, claiming that Adventist ceased payment of all benefits except salary in the fall of 2000 and stopped the salary payments in November 2001.

“But the lawsuit, filed in Montgomery County Circuit Court, was never served on Adventist executives because the two sides began negotiations shortly after, said Chambers’ attorney, Jay. P. Holland of Joseph, Greenwald & Laake in Greenbelt. [They are going to pay him off!]

“‘At this time, Adventist and Mr. Chambers are seeking to work out the differences,’ confirmed Adventist spokesman Robert Jepson. ‘It is premature to say what the result will be. The dispute has arisen because we felt the need to evaluate the legal and ethical terms of the contract by prior management,’ he said.

“Adventist’s dilemma is that Chambers worked for it at a time when Adventist’s top management earned fat paychecks and perks . . .

“Adventist HealthCare is owned by the Seventh-day Adventist Church.

“Chambers, now a part-time lecturer teaching health care systems twice a week at Clemson University in South Carolina, referred all questions to his attorney.

“Shady Grove Hospital’s accreditation fell in 1999 following a report in the *Washington Post* that staff cuts and a shortage of nurses had led to serious problems in patient care, including the death of an elderly patient left unattended in a corridor.”—“*Adventist, former CEO working on pay dispute,*” *Gazette, October 7, 2002 [a Maryland newspaper]*.